

Glebe Administration Board Audited Accounts for 2001

Independent Audit Report to the Members of the Glebe Administration Board

Scope

We have audited the financial report of Glebe Administration Board (the "Board") for the year ended 31 December 2001 as set out on [pages 236 to 278]. The members of the Board are responsible for the financial report which includes the financial statements of the Board and the consolidated financial statements of the consolidated entity comprising the Board and the entities it controlled at the end of, or during, the financial year. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Board.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards, the Corporations Act 2001, other mandatory professional reporting requirements, and the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church Diocese of Sydney so as to present a view which is consistent with our understanding of the Board's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows. The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of the Board is in accordance with -

- (a) the Corporations Act 2001, including -
 - (i) giving a true and fair view of the Board's and consolidated entity's financial position as at 31 December 2001 and of their performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001;
- (b) other mandatory professional reporting requirements;
- (c) the provisions of the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church Diocese of Sydney.

In our opinion, the accounting records and registers of the Board have been properly kept in accordance with the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church Diocese of Sydney.

Sydney
19 March 2002

PricewaterhouseCoopers
Chartered Accountants
M.J. CODLING, Partner

**Statutory Report of the Members of the
Glebe Administration Board**

In accordance with a resolution of the Board, the members of the Glebe Administration Board submit herewith the financial statements as at 31 December 2001 and reports as follows -

Members in office at the date of this report

Mr B H Ball	Dr S E Judd
Canon B A Ballantine-Jones	Mr R H Y Lambert
Mr R E Bucknell	Mr I C Miller
Mr R C Corbett	Mr W Olson
Rt Rev R C Forsyth	Dr L A Scandrett
Mr N Ingham	Mr P Shirriff

Principal activities

The object of the Board is to act as trustee of church trust property vested in it or in respect of which it may be appointed trustee and to do so in a way which both preserves the real value of that property and provides a reasonable income therefrom. To achieve this, the principal activities of the Board have been to own, manage, develop, let, buy and sell real estate and securities as Trustee for the diocesan endowment, and to receive money on deposit or loan and the borrowing of money upon charge of such real estate in order to manage wealth and create income.

The Board has among its investment objectives for the diocesan endowment the requirement to have in its portfolio assets that will in the future have prospects of capital growth ahead of the rate of inflation together with an income growth that keeps pace with the Consumer Price Index, compounded.

There were no significant changes in the nature of the Board's activities during the year.

Results for the year

The consolidated net surplus, after tax, for the year, after adjusting the equity and fixed interest portfolio to market value, bringing to account profits on the sale of property and equity accounting for an investment, is \$15,025,966 (2000 - \$13,543,562).

Dividends

Dividends are not paid by the Board, but the Board has made distributions of \$7,955,978 (2000 - \$7,709,858) for the many purposes specified above from the provision for income distribution account. Of the balance of the provision for income distribution of \$18,919,822, \$8,827,450 is anticipated to be utilised during 2002. (Refer to note 13 of the financial statements).

Review of operations and significant changes in the state of affairs

A review of the operations of the Board and commentary on any significant changes in the state of affairs of the Board are contained in the Chief Executive Officer's report . [This report is not printed.]

Members' meetings

The number of meetings attended by each member during the year

	No. of meetings held	No. of meetings attended
Mr B H Ball	7	7
Canon B A Ballantine-Jones	7	7
Mr R Bucknell	7	5
Mr R C Corbett	7	0
Rt Rev R C Forsyth	7	5
Mr N Ingham	7	6
Dr S E Judd	7	5
Mr R H Y Lambert	7	7
Mr I C Miller	7	5
Mr W H Olson	7	6
Dr L A Scandrett	7	4
Mr P Shirriff	7	2

Members' indemnification

During the financial year insurance premiums totalling \$1,782 were paid for directors' and officers' liability insurance in respect of the members of the Glebe Administration Board. The policies do not specify the premium for individual members.

The directors' and officers' liability insurance provides cover against all costs and expenses involved in defending legal actions and any resulting payments arising from liability to persons incurred in their position as a member unless the conduct involves a wilful breach of duty or an improper use of inside information to gain advantage.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2001 that has significantly affected, or may significantly affect, the operations of the Board, the results of those operations or the state of affairs of the Board in future financial years.

Environmental disclosures

The operations of the Board are not subject to any particular and significant environmental regulation under any law of the Commonwealth of Australia or of any State or Territory thereof.

The Board has not incurred any liability (including rectification costs) under any environmental legislation.

Likely developments and future results

The members have excluded from this report any information on the likely developments in operations of the Board and the expected results of

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those operations in future financial years, as the members have reasonable grounds to believe that it would be likely to result in unreasonable prejudice to the Board.

For and on behalf of Board
Glebe Administration Board
19 March 2002

B H BALL, Member
L A SCANDRETT, Member

Glebe Administration Board - Statement of Financial Performance For the Year Ended 31 December 2001

	Note	Consolidated		Chief Entity	
		2001 \$	2000 \$	2001 \$	2000 \$
Revenue from ordinary activities	3	30,218,819	25,967,210	29,814,849	26,778,136
Share of net profits of SAHC accounted for using the equity method	8	1,753,339	2,090,292	-	-
Expenses from operating activities					
Property division		(2,301,334)	(2,242,351)	(2,301,334)	(2,242,351)
Treasury division		(2,533,160)	(1,954,111)	(2,533,160)	(1,954,111)
Subsidies for controlled entities		(331,127)	(627,182)	(331,127)	(627,182)
Borrowing costs		(7,816,911)	(8,314,343)	(7,816,911)	(8,314,343)
Administration of funds management and lending activities		(2,345,834)	(1,376,102)	-	-
Expenses from non-operating activities					
Carrying value of property sold		(1,617,850)	-	(1,617,850)	-
Surplus from ordinary activities before income tax		15,025,942	13,543,413	15,214,467	13,640,149

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Income tax benefit/(expense)	5	24	149	-	-
Surplus from ordinary activities after income tax		15,025,966	13,543,562	15,214,467	13,640,149
Revaluation of properties credited directly to the Asset Revaluation Reserve	6	3,937,850	652,581	3,937,850	652,581
Share of SAHC's movements in Asset Revaluation Reserve	6	867,691	(1,080,064)	-	-
Share of SAHC's movement in Future Maintenance Reserve	6	600,000	500,000	-	-
Revaluation of beneficial interest in SAHC		-	-	1,896,996	(650,938)
Total valuation adjustments recognised directly in equity		5,405,541	72,517	5,834,846	1,643
Total changes in equity before distributions and capital transactions		20,431,507	13,616,079	21,049,313	13,641,792

The above statement of financial performance should be read in conjunction with the accompanying notes.

Glebe Administration Board - Statement of Financial Position As at 31 December 2001

	Note	Consolidated		Chief Entity	
		2001	2000	2001	2000
		\$	\$	\$	\$
Current assets					
Cash	19(b)	406,839	768,235	54,092	530,298
Receivables	7	17,219,280	17,920,760	17,372,958	18,035,127
Investments	8	158,737,346	153,584,650	158,737,346	153,584,650
Other	9	22,728	47,971	22,728	47,971
Total current assets		176,386,193	172,321,616	176,187,124	172,198,046
Non-current assets					
Receivables	7	63,549,451	58,740,276	63,549,451	58,740,276
Investments	8	37,730,863	35,833,864	37,930,863	36,033,864
Investment properties	10	45,370,000	43,050,000	45,370,000	43,050,000
Other	9	-	22,772	-	22,772
Total non-current assets		146,650,314	137,646,912	146,850,314	137,846,912
Total assets		323,036,507	309,968,528	323,037,438	310,044,958

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Current liabilities

Payables	11	2,251,748	1,459,064	2,160,047	1,447,338
Interest-bearing liabilities	12	133,801,098	134,122,553	133,801,098	134,122,553
Provision for income distribution	13	8,827,450	7,955,978	8,827,450	7,955,978

Total current liabilities		<u>144,880,296</u>	<u>143,537,595</u>	<u>144,788,595</u>	<u>143,525,869</u>
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Non-current liabilities

Interest-bearing liabilities	12	6,882,064	7,649,330	6,882,064	7,649,330
Deferred income tax provision	5	49	73	-	-
Provision for income distribution	13	10,092,372	10,192,855	10,092,372	10,192,855

Total non-current liabilities		<u>16,974,485</u>	<u>17,842,258</u>	<u>16,974,436</u>	<u>17,842,185</u>
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Total liabilities		<u>161,854,781</u>	<u>161,379,853</u>	<u>161,763,031</u>	<u>161,368,054</u>
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Net assets		<u>161,181,726</u>	<u>148,588,675</u>	<u>161,274,407</u>	<u>148,676,904</u>
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Total Capital Funds	6	<u>161,181,726</u>	<u>148,588,675</u>	<u>161,274,407</u>	<u>148,676,904</u>
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Contingent liabilities	15, 21				
Commitments for expenditure	17				

The above statement of financial position should be read in conjunction with the accompanying notes.

Glebe Administration Board - Statement of Cash Flows For the Year Ended 31 December 2001

	Note	Consolidated		Chief Entity	
		2001	2000	2001	2000
		\$	\$	\$	\$
Cash flows from operating activities					
Rent received		4,078,852	4,085,497	4,078,852	4,085,497
Interest received		4,816,148	3,455,608	4,797,247	3,439,794
Dividends received		6,274,793	294,728	4,337,405	294,728
St. Andrew's House distribution		1,937,388	2,161,165	1,937,388	2,161,165
Other receipts from operations		2,746,653	4,296,337	3,022,161	3,115,529
Interest paid		(4,965,365)	(5,132,374)	(4,965,365)	(5,132,374)
Payments in respect of the operations		(6,364,713)	(4,893,944)	(4,347,464)	(3,888,568)
Net cash flows from operating activities	19(a)	8,523,756	4,267,017	8,860,224	4,075,771
Cash flows from investing activities					
Equity purchases		(4,062,302)	(3,826,732)	(4,062,302)	(3,826,732)
Equity sales		9,550,832	10,645,204	9,550,832	10,645,204
Purchase of fixed interest securities		(2,750,000)	(4,682,269)	(2,750,000)	(4,682,269)
Sale/maturities of fixed interest securities		2,750,900	3,931,553	2,750,900	3,931,553
Purchase of money market securities		(116,629,401)	(112,753,281)	(115,382,180)	(111,770,063)
Sale/maturities of money market securities		112,594,401	119,419,481	111,352,534	118,442,562

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Issue of finance arrangements	(37,346,913)	(56,258,430)	(37,346,913)	(56,258,430)
Redemption of finance arrangements	36,113,608	25,727,357	36,113,608	25,727,357
Sydney Anglican Deposit Plan deposits repaid	(114,909,789)	(92,116,237)	(114,909,789)	(92,116,237)
Sydney Anglican Deposit Plan deposits taken	110,949,511	112,165,607	110,949,511	112,165,607
Proceeds from strata sale of building	1,831,864	-	1,831,864	-
Proceeds from sale of business unit	530,000	-	-	-
Cost of sale of business unit	(73,368)	-	-	-
Purchase of assets	(800)	-	(800)	-
Net cash flows used in investing activities	(1,451,457)	2,252,253	(1,902,735)	2,258,552
Cash flows from financing activities				
Distribution to Synod	(7,328,000)	(7,666,858)	(7,328,000)	(7,666,858)
Distribution to other Anglican organisations	(150,000)	-	(150,000)	-
Contributions from deceased estates	23,157	70,635	23,157	70,635
Net cash flows used in financing activities	(7,454,843)	(7,596,223)	(7,454,843)	(7,596,223)
Net (decrease) in cash held	(382,544)	(1,076,953)	(497,354)	(1,261,900)
Cash at the beginning of the year	768,235	1,720,312	530,298	1,667,322
Effects of exchange rate changes on cash	21,148	124,876	21,148	124,876
Cash at the end of the year	406,839	768,235	54,092	530,298

19(b)

Glebe Administration Board
Notes to and forming part of the financial statements
at 31 December 2001

1. Purpose of the Fund

This fund records the financial aspect of the Board's activities and responsibilities to own, manage, develop, let, buy and sell real estate and securities as Trustee for and on behalf of the Anglican Church of Australia Diocese of Sydney, to receive money on deposit or loan and to borrow money upon the charge of such real estate. Distributions are made to the Synod of the Anglican Church of Australia Diocese of Sydney in accordance with the Ordinance and are used for the many purposes of Christian Ministry and for activities which provide services and assistance for those in need in the community. The Board has no employees and no amounts are paid or allocated to or on behalf of members of the Board. The Board acts only in the capacity of Trustee for the Anglican Church of Australia Diocese of Sydney and does not own any assets nor carry out any activities on its own behalf.

2. Summary of Accounting Policies

(a) Basis of accounting

This general purpose financial report is prepared in accordance with the Diocesan Endowment Ordinance 1984, the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church of Australia Diocese of Sydney, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views.

It is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Unless otherwise stated, recoverable amounts are not determined using discounted cashflows.

The accounting policies adopted are consistent with those of previous periods unless otherwise specified.

Comparative information is restated where appropriate to enhance comparability. In particular, as a result of applying the revised accounting standard AASB 1018 Statement of Financial Performance, and AASB 1040 Statement of Financial Position and AASB 1034 Financial Report Presentation and Disclosure for the first time, a number of comparative amounts were represented or reclassified to ensure comparability with the current reporting period.

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Glebe Administration Board ("the Board") as at 31 December 2001 and the results of all controlled entities for the year ended. The Board and its controlled entities

together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full.

(b) Investment properties

Investment properties comprise investments in land and buildings held for the purpose of producing rental income and capital appreciation.

Revaluations are made with sufficient regularity to ensure that the carrying amount of each investment property does not differ materially from its fair value at the reporting date. Annual assessments will be made by the Board, supplemented by independent assessments at least every three years.

Increments from the revaluation of investment properties are transferred directly to an Asset Revaluation Reserve, except to the extent that the increment reverses a revaluation decrement previously recognised as an expense in the Statement of Financial Performance where it shall be credited to the Statement of Financial Performance.

Decrements from the revaluation of properties are transferred directly to the Asset Revaluation Reserve, except to the extent that the revaluation decrement exceeds previous increments whereby the decrement is brought to account in calculating the surplus from ordinary activities for the year.

Gains or losses on disposal of investment properties are brought to account in calculating the surplus from ordinary activities for the year and transferred from the Accumulated Surplus to the Property Realisation Reserve.

(c) Investments in St Andrew's House Corporation

The Board has a 50% beneficial interest in St Andrew's House Corporation, of which the principal activities are to manage and control St Andrew's House. The St Andrew's House Site Ordinance of 1976 provides that one half of the land and buildings known as St Andrew's House be held "upon the Trust to apply the income in accordance with Clause 14 of the Glebe Administration Ordinance 1930 (as amended)".

The Board's investment is accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the surplus of St Andrew's House Corporation is recognised as revenue in the consolidated Statement of Financial Performance, and its share of movements in reserves is recognised in consolidated reserves.

In the chief entity financial statements the Board has resolved to value its beneficial interest in St Andrew's House Corporation at fair value, measured as 50% of the Corporation's accumulated funds and provision for distribution. Revaluation increments are credited directly to the Asset Revaluation Reserve. Distributions received by the Board

are recognised in the Statement of Financial Performance as trust income when declared.

(d) Other investments

(i) Fixed Interest Investments

Fixed interest investments are primarily managed through the Sydney Anglican Church Investment Trust (SACIT) Fixed Interest Fund. This Fund is a unitised fund which values on a daily basis. The valuation brought to account is the market valuation of the holdings in the Fund as at 31 December 2001. Distributions from the Fund are accrued as at 31 December in these financial statements even though not received until the following year. The valuation applied at the year end is therefore on an "ex distribution" basis.

(ii) Equity Investments

Unless separately identified in the financial statements, equities held by the Board are through the Sydney Anglican Church Investment Trust (SACIT) Equities Fund. This Fund is a unitised fund which values on a daily basis. The valuation brought to account is the market valuation of the holdings in the Fund as at 31 December 2001. Distributions from the Fund are brought to account when received in cash (or when reinvested). The valuation applied at the year end is on a "cum distribution" basis. Equity investments held directly by the Board are valued at market valuation.

(iii) Investment in Sydney Anglican Property Fund

Distributions from the Sydney Anglican Property Fund are recorded as income in the period in which they are received. The unit price is set annually based upon the last known disposal price prior to the end of the year. The valuation brought to account is the market valuation of the holdings in the Fund applicable for the year 2001.

(iv) Investment in controlled entities

Investments in controlled entities are recorded at cost in the Statement of Financial Position of the Chief Entity.

(v) Money market securities

Investments in money market securities are recorded at cost in the Statement of Financial Position.

(vi) Revaluations

Revaluation increments and decrements arising from movements in market values of other investments are recognised in the Statement of Financial Performance in arriving at the surplus from operating activities. Any unrealised changes in the market value of these investments are transferred at year end from the Accumulated Surplus to the Asset Revaluation Reserve.

On sale of these investments, unrealised valuation adjustments previously recognised in the Asset Revaluation Reserve are released to the Accumulated Surplus as realised gains or losses.

(e) Loans and mortgages receivable

Commercial loans and mortgages are carried at recoverable amount, represented by the gross value of the outstanding balance adjusted for provisions for bad and doubtful debts. All known bad debts are written off against the provisions in the year in which they are identified.

(f) Revenue recognition

Dividends are brought to account as revenue when equities are quoted "ex dividend". Similarly, in the chief entity financial statements, distributions from St Andrew's House Corporation are recorded as revenue in the period in which they are received. The Board's proportion of the unpaid surplus is included in the value of the beneficial interest owned.

Other revenue is brought to account on an accruals basis, except as otherwise disclosed.

(g) Income tax

The Board, as Trustee for the Diocesan Endowment, is not subject to income tax and no provision has been made in respect thereof. Where appropriate, provision has been made for income tax in relation to the controlled entities of the Board. As a consequence of the New Tax System, non-profit organisations may now apply for a refund of franking credits on franked dividends. An amount of \$1,065,324 has been accrued in these financial statements and was received in January 2002.

(h) Tenancy leasing costs

Leasing costs are incurred in attracting new tenants to lease space in investment properties. These costs are amortised over the average term of the lease.

(i) Deposit liabilities

Deposits include interest-bearing deposits repayable at call and interest bearing deposits repayable subject to certain time restrictions. They are brought to account at the value of the outstanding balance.

(j) Receivables and payables

Trade accounts receivable generally settle within 60 days, and are carried at amounts due.

A provision is raised for any doubtful debts based on a review of all outstanding amounts at balance date. Bad debts are written off in the period in which they are identified.

Trade accounts payable, including accruals not yet billed, are recognised when the consolidated entity becomes obliged to make future payments as a result of a purchase of assets or services. Trade accounts payable are generally settled within 30 days.

(k) Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand, cash at bank, at call deposits and the current account with the Sydney Diocesan Secretariat.

(l) Foreign currency translation

The Board holds foreign currency bank accounts in order to assist with trading in equities and interest-bearing securities in US dollars and other currencies. Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. At balance date assets and liabilities in foreign currencies are translated to Australian currency at rates of exchange current at that date. Resulting exchange differences are brought to account in determining the surplus from ordinary activities for the year.

3. Revenue From Ordinary Activities

	Note	Consolidated		Chief Entity	
		2001 \$	2000 \$	2001 \$	2000 \$
Revenue from operating activities					
Property income		4,086,437	4,124,888	4,086,437	4,124,888
Trust income from beneficial interest in St Andrew's House Corporation		-	-	1,937,388	2,161,165
Property management fees		376,389	376,343	376,389	376,343
Fund administration fees		1,668,800	1,183,277	350,855	363,445
Financial advice		337,219	228,102	-	-
Building services income		784,877	791,089	784,877	791,089
Interest income		6,274,377	5,633,950	6,255,556	5,618,510
Distributions, dividends and options		7,903,066	7,787,866	7,903,066	7,787,866
Franking credit refund		1,065,324	-	1,065,324	-
Unrealised gain on current investments		3,378,005	4,287,091	3,378,005	4,287,091
Net profit on sale of current investments		921,037	396,898	921,037	396,898
Other		1,134,793	1,157,706	924,052	870,841
Revenue from non-operating activities					
Proceeds on sale of properties		1,831,863	-	1,831,863	-
Profit on sale of business unit		456,632	-	-	-
		30,218,819	25,967,210	29,814,849	26,778,136

4. Surplus From Ordinary Activities

(a) Surplus from ordinary activities before income tax has been determined after:

	Note	Consolidated		Chief Entity	
		2001	2000	2001	2000
		\$	\$	\$	\$
Crediting as revenue:					
Trust income from beneficial interest in St Andrew's House		1,753,339	2,090,292	1,937,388	2,161,165
Net profit on sale of current investments		921,037	396,898	921,037	396,898
Unrealised market value gains on current investments		3,356,857	4,162,215	3,356,857	4,162,215
Foreign currency gain		21,148	124,876	21,148	124,876
Charging as expense:					
Depreciation of equipment		-	1,979	-	1,979
Amortisation of other assets		47,274	48,407	47,274	48,407
Provision for doubtful debts		250,000	500,000	250,000	500,000

(b) **Remuneration of members**

No members have received any remuneration from the Glebe Administration Board or its related entities.

(c) **Superannuation and retirement benefits**

No payments have been made in respect of such matters as the Glebe Administration Board and its controlled entities employ no staff. The Sydney Diocesan Secretariat pays all staff under contract arrangements with the Glebe Administration Board.

(d) Auditor's remuneration

The Sydney Diocesan Secretariat charges the Board a management fee which includes an allowance for audit fees. It has not been possible to allocate the audit fees charged between entities on a reasonable basis.

5. Income Tax

The prima facie income tax expense on pre-tax accounting income of those controlled entities subject to income tax reconciles to the income tax expense in the accounts as follows -

	Note	Consolidated		Chief Entity	
		2001 \$	2000 \$	2001 \$	2000 \$
Deficit from ordinary activities		(4,476)	(25,862)	Nil	Nil
Income tax benefit calculated at 30 % (2000:34%)		(1,343)	(8,793)	-	-
Tax effect of permanent differences		(2,223)	2,519	-	-
Net adjustment to deferred income tax liabilities and assets to reflect the decrease in the company tax rate to 34 % from 30%		-	(10)	-	-
Tax losses not brought to account as future income tax benefits		3,542	6,135	-	-
		(24)	(149)	Nil	Nil

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Comprising:

Future income tax benefit (FITB)	-	-	-	-
Deferred income tax provision (DITP)	49	73	-	-
Net DITP/(FITB)	49	73	-	-
Future income tax benefit brought forward	(73)	(222)	-	-
Income Tax (Credit)/Expense	(24)	(149)	Nil	Nil

The value of tax losses not brought to account by the consolidated entity as at 31 December 2001 is \$19,852 at 30% (2000: \$16,310).

The benefit for tax losses will only be obtained if:

- (i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, or
- (ii) the losses are transferred to an eligible entity in the Glebe Australia Limited group of companies, and
- (iii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation, and
- (iv) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

6. Capital Fund

(a) Composition

Note	Consolidated		Chief Entity	
	2001 \$	2000 \$	2001 \$	2000 \$
Capital Account	31,067,428	31,044,271	31,067,428	31,044,271
Accumulated Surplus	50,409,059	46,836,725	50,143,309	46,995,828
Asset Revaluation Reserve	35,656,776	28,291,974	40,312,903	31,918,796
Property Realisation Reserve	39,630,767	38,598,009	39,630,767	38,598,009
Future Maintenance Reserve	4,417,696	3,817,696	120,000	120,000
	<u>161,181,726</u>	<u>148,588,675</u>	<u>161,274,407</u>	<u>148,676,904</u>

(b) Movements

Capital Account

Balance 1 January	31,044,271	30,973,636	31,044,271	30,973,636
Distribution of capital from deceased estates	23,157	70,635	23,157	70,635
Balance 31 December	<u>31,067,428</u>	<u>31,044,271</u>	<u>31,067,428</u>	<u>31,044,271</u>

Accumulated Surplus

Balance 1 January	46,836,725	44,563,828	46,995,828	44,626,344
Surplus from ordinary activities after income tax	15,025,966	13,543,562	15,214,467	13,640,149
				continued ...

continued ...

Provisions for distribution during the year	(8,474,967)	(7,108,450)	(8,474,967)	(7,108,450)
Revaluation of current investments transferred to Asset Revaluation Reserve	(3,378,005)	(4,162,215)	(3,378,005)	(4,162,215)
Profit on sale of properties transferred to Asset Realisation Reserve	(214,014)	-	(214,014)	-
Share of increase in SAHC's Accumulated Surplus	613,354	-	-	-
Balance 31 December	<u>50,409,059</u>	<u>46,836,725</u>	<u>50,143,309</u>	<u>46,995,828</u>
Asset Revaluation Reserve				
Balance 1 January	28,291,974	24,557,242	31,918,796	27,754,938
Revaluation of investment properties	3,937,850	652,581	3,937,850	652,581
Realised gain on sale of property transferred to Asset Realisation Reserve	(818,744)	-	(818,744)	-
Share of movement in SAHC's Revaluation Reserve	867,691	(1,080,064)	-	-
Revaluation of beneficial interest in SAHC	-	-	1,896,996	(650,938)
Revaluation of current investments transferred from Accumulated Surplus	<u>3,378,005</u>	<u>4,162,215</u>	<u>3,378,005</u>	<u>4,162,215</u>
Balance 31 December	<u>35,656,776</u>	<u>28,291,974</u>	<u>40,312,903</u>	<u>31,918,796</u>

continued ...

continued ...

Property Realisation Reserve

Balance 1 January	38,598,009	38,598,009	38,598,009	38,598,009
Transfers (to)/from reserves:				
Asset Revaluation Reserve	818,744	-	818,744	-
Accumulated Surplus	214,014	-	214,014	-
Balance 31 December	<u>39,630,767</u>	<u>38,598,009</u>	<u>39,630,767</u>	<u>38,598,009</u>

Future Maintenance Reserve

Balance 1 January	3,817,696	3,317,696	120,000	120,000
Share of increase in SAHC's Future Maintenance Reserve	600,000	500,000	-	-
Balance 31 December	<u>4,417,696</u>	<u>3,817,696</u>	<u>120,000</u>	<u>120,000</u>

(c) Nature and purpose of reserves

Asset Revaluation Reserve

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of non-current assets as described in note 2(b). This includes the Board's share of movements in the Asset Revaluation Reserve of St Andrew's House Corporation.

Property Realisation Reserve

The Property Realisation Reserve is used to record realised profits and losses on sale of investment properties.

Future Maintenance Reserve

The Board credits the Future Maintenance Reserve periodically to ensure appropriate funds are available when major maintenance of properties is required. The reserve is utilised when major maintenance is undertaken.

7. Receivable

	Note	Consolidated		Chief Entity	
		2001 \$	2000 \$	2001 \$	2000 \$
Current					
Tenant debtors		48,137	43,222	48,137	43,222
Other debtors and accruals		2,815,707	1,036,667	2,969,385	1,151,034
		<u>2,863,844</u>	<u>1,079,889</u>	<u>3,017,522</u>	<u>1,194,256</u>
Loans		11,987,800	12,841,800	11,987,800	12,841,800
Finance leases		237,636	429,196	237,636	429,196
Mortgages		2,880,000	4,069,875	2,880,000	4,069,875
Provision for doubtful debts		(750,000)	(500,000)	(750,000)	(500,000)
		<u>17,219,280</u>	<u>17,920,760</u>	<u>17,372,958</u>	<u>18,035,127</u>

continued ...

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Non-current

Loans	4,084,222	17,352,976	4,084,222	17,352,976
Finance leases	284,597	499,566	284,597	499,566
Mortgages	59,180,632	40,887,734	59,180,632	40,887,734
Loans to Anglican Property Trust – New Sites Advisory Committee	1,000,000	1,000,000	1,000,000	1,000,000
Less: Provision for diminution of loan	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
	<u>63,549,451</u>	<u>58,740,276</u>	<u>63,549,451</u>	<u>58,740,276</u>

The Board was required by the New Sites Ordinance 1982 of the Standing Committee of the Synod of the Anglican Diocese of Sydney to make an interest free loan of \$1 million to the Anglican Church Property Trust Diocese of Sydney for the purpose of acquiring parish sites in new developing areas. This loan is repayable at the discretion of the Trust. The Board resolved to provide for the diminution of the loan over the four years from 1 January, 1984 and it is now fully provided.

(i) Significant Terms and Conditions

Tenant and other debtors are required to be settled within 30 days.

Finance leases are secured over the underlying motor vehicle and are repayable monthly over an average term of 3 years.

Repayments on mortgages and loans are generally interest only with the principal payable on maturity with an average term of 3 years. However, in some instances the option of repayments comprising a mixture of principal and interest is available.

(ii) Credit Risk

Loans are unsecured. Mortgages are secured on properties. It is the Board's policy to perform extensive credit reviews before entering into arrangements and not to exceed a loan-to-value ratio of 75%. All exposures are to entities in Australia. The table below shows the exposure by industry category:

Note	Consolidated		Chief Entity	
	2001 \$	2000 \$	2001 \$	2000 \$
Anglican Diocesan organisations	33,910,596	33,936,208	33,910,596	33,936,208
Property development	17,142,862	14,161,302	17,142,862	14,161,302
Other	27,079,196	27,054,875	27,079,196	27,054,875
Total mortgages and loans	78,132,654	75,152,385	78,132,654	75,152,385

In addition to the carrying amount of loans and mortgages included within the Statement of Financial Position, the consolidated entity has exposure to credit risk for undrawn facilities of \$10,633,608 (2000: \$14,738,871).

8. Investments

CURRENT INVESTMENTS

Equities

<i>Listed equities (at cost)</i>	5,710,107	5,783,388	5,710,107	5,783,388
Mark to market	368,170	1,130,515	368,170	1,130,515
Total listed securities at market value	<u>6,078,277</u>	<u>6,913,903</u>	<u>6,078,277</u>	<u>6,913,903</u>

continued ...

continued ...

Unlisted investments in Flinders Trustees Limited

Unlisted equities	1,250,000	-	1,250,000	-
Unlisted convertible preference shares	750,000	-	750,000	-
Total unlisted equities	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
Total value of equities	<u>8,078,277</u>	<u>6,913,903</u>	<u>8,078,277</u>	<u>6,913,903</u>

Trusts

Unlisted trusts

Sydney Anglican Church Investment Trust Fixed Interest (at cost)	38,579,119	43,872,042	38,579,119	43,872,042
Sydney Anglican Church Investment Trust Equities (at cost)	65,935,893	64,749,633	65,935,893	64,749,633
Glebe Stewardship Investment Trusts (at cost)	9,994,303	8,269,680	9,994,303	8,269,680
Mark to market	19,891,200	15,708,358	19,891,200	15,708,358
Sydney Anglican Property Fund (at market value)	<u>5,553,870</u>	<u>5,568,840</u>	<u>5,553,870</u>	<u>5,553,840</u>
Total unlisted trusts at market value	<u>139,954,385</u>	<u>138,168,553</u>	<u>139,954,385</u>	<u>138,168,553</u>

continued ...

continued ...

<i>Listed property trusts (at cost)</i>	2,251,576	3,283,675	2,251,576	3,283,675
Mark to market	<u>323,760</u>	<u>346,508</u>	<u>323,760</u>	<u>346,508</u>
Total listed property trusts at market value	<u>2,575,336</u>	<u>3,630,183</u>	<u>2,575,336</u>	<u>3,630,183</u>
Total trusts at market value	<u>142,529,721</u>	<u>141,798,736</u>	<u>142,529,721</u>	<u>141,798,736</u>

Fixed interest

Bank bonds (at cost)	935,992	1,685,992	935,992	1,685,992
Mark to market	<u>416</u>	<u>26,337</u>	<u>416</u>	<u>26,337</u>
Total fixed interest at market value	<u>936,408</u>	<u>1,712,329</u>	<u>936,408</u>	<u>1,712,329</u>

Money market securities

Bank accepted bills	4,690,045	1,592,434	4,690,045	1,592,434
Negotiable certificates of deposit	-	1,566,051	-	1,566,051
Money market deposits	<u>2,502,895</u>	<u>1,197</u>	<u>2,502,895</u>	<u>1,197</u>
Total money market securities	<u>7,192,940</u>	<u>3,159,682</u>	<u>7,192,940</u>	<u>3,159,682</u>

continued ...

continued ...

Summary of Current Investments

Equities	8,078,277	6,913,903	8,078,277	6,913,903
Unit trusts	142,529,721	141,798,736	142,529,721	141,798,736
Fixed Interest	936,408	1,712,329	936,408	1,712,329
Money market securities	7,192,940	3,159,682	7,192,940	3,159,682
Total current investments	<u>158,737,346</u>	<u>153,584,650</u>	<u>158,737,346</u>	<u>153,584,650</u>

NON-CURRENT INVESTMENTS

Investments in controlled entities (note 14)	-	-	200,000	200,000
Beneficial interest in St. Andrew's House Corporation	<u>37,730,863</u>	<u>35,833,864</u>	<u>37,730,863</u>	<u>35,833,864</u>
Total non-current investments	<u>37,730,863</u>	<u>35,833,864</u>	<u>37,930,863</u>	<u>36,033,864</u>

Beneficial interest in St Andrew's House Corporation

The Board accounts for its 50% beneficial interest in St. Andrew's House Corporation in accordance with note 2c

Movements in carrying amounts of investments in associates

continued ...

continued ...

Carrying amount at beginning of financial year	35,833,864	36,484,802	35,833,864	36,484,802
Share of distributable surplus for the year	1,753,339	2,090,292	-	-
Distributions received	(1,937,388)	(2,161,165)	-	-
Share of increase in other reserves	600,000	500,000	-	-
Increase in accumulated surplus	613,357	-	-	-
Share of movement in revaluation reserve	867,691	(1,080,065)	-	-
Revaluation of beneficial interest in SAHC	-	-	1,896,999	(650,938)
Carrying amount at the end of the financial year	<u>37,730,863</u>	<u>35,833,864</u>	<u>37,730,863</u>	<u>35,833,864</u>

Comprised:

Capital invested	4,714,614	4,714,614	4,714,614	4,714,614
Revaluation reserve	20,039,687	19,171,996	20,039,687	19,171,996
Accumulated surplus	7,767,773	7,154,417	7,767,773	7,154,417
Other reserves	4,297,695	3,697,695	4,297,695	3,697,695
Unpaid distribution	911,094	1,095,142	911,094	1,095,142
	<u>37,730,863</u>	<u>35,833,864</u>	<u>37,730,863</u>	<u>35,833,864</u>

9. Other - Assets

Note	Consolidated		Chief Entity	
	2001 \$	2000 \$	2001 \$	2000 \$
Finance lease brokerages	-	741	-	741
447 Kent Street:				
Leasing & fitout costs	297,263	297,263	297,263	297,263
Less: Provision for amortisation	(274,535)	(227,261)	(274,535)	(227,261)
	<u>22,728</u>	<u>70,743</u>	<u>22,728</u>	<u>70,743</u>
Current				
Brokerage costs	-	699	-	699
Leasing & fitout costs	<u>22,728</u>	<u>47,272</u>	<u>22,728</u>	<u>47,272</u>
	<u>22,728</u>	<u>47,971</u>	<u>22,728</u>	<u>47,971</u>
Non-Current				
Brokerage costs	-	43	-	43
Leasing & fitout costs	-	<u>22,729</u>	-	<u>22,729</u>
	<u>-</u>	<u>22,772</u>	<u>-</u>	<u>22,772</u>

10. Investment Properties

	Note	Consolidated		Chief Entity	
		2001 \$	2000 \$	2001 \$	2000 \$
i. Movements during period					
Balance 1 January		43,050,000	42,397,419	43,050,000	42,397,419
Revaluation of properties		3,937,850	652,581	3,937,850	652,581
		<u>46,987,850</u>	<u>43,050,000</u>	<u>46,987,850</u>	<u>43,050,000</u>
Carrying value of property sold		(1,617,850)	-	(1,617,850)	-
Balance 31 December		<u><u>45,370,000</u></u>	<u><u>43,050,000</u></u>	<u><u>45,370,000</u></u>	<u><u>43,050,000</u></u>
ii. Basis of valuation as at 31 December					
Cost of properties at 1 January		51,710,600	51,710,600	51,710,600	51,710,600
Sales during the year		(799,106)	-	(799,106)	-
		<u>50,911,494</u>	<u>51,710,600</u>	<u>50,911,494</u>	<u>51,710,600</u>
Revaluation adjustment from cost		(5,541,494)	(8,660,600)	(5,541,494)	(8,660,600)
Valuation adopted by members of the Board		<u><u>45,370,000</u></u>	<u><u>43,050,000</u></u>	<u><u>45,370,000</u></u>	<u><u>43,050,000</u></u>

9 Help Street Chatswood was last independently valued at \$41,500,000 as at 31 December 2001 by Mr Philip R. Barlow (registered valuer no. 1251) of Preston Rowe Paterson NSW Pty Limited.

447 Kent Street, Sydney was last independently valued at \$3,870,000 as at 31 December 2001 by Ms Natalie J. Myatt (registered valuer no. 6129) of Preston Rowe Paterson NSW Pty Limited.

11. Payables

Note	Consolidated		Chief Entity	
	2001 \$	2000 \$	2001 \$	2000 \$
Interest payable	1,168,466	1,188,476	1,168,466	1,188,476
Rentals received in advance	-	2,672	-	2,672
Trade creditors and accruals	1,083,282	267,916	991,581	256,190
Total payables	<u>2,251,748</u>	<u>1,459,064</u>	<u>2,160,047</u>	<u>1,447,338</u>

12. Interest-bearing Liabilities

Deposits – Sydney Anglican Deposit Plan				
Current	133,801,098	134,122,553	133,801,098	134,122,553
Non-current	6,882,064	7,649,330	6,882,064	7,649,330
Total interest bearing liabilities	<u>140,683,162</u>	<u>141,771,883</u>	<u>140,683,162</u>	<u>141,771,883</u>

13. Provision for Income Distribution

Balance 1 January	18,148,833	18,707,241	18,148,833	18,707,241
Provided during the period	8,474,967	7,108,450	8,474,967	7,108,450

26,623,800

25,815,691

26,623,800

25,815,691

	Note	Consolidated		Chief Entity	
		2001	2000	2001	2000
		\$	\$	\$	\$
Paid and payable during the period		(7,955,978)	(7,709,858)	(7,955,978)	(7,709,858)
Restored to provision by Synod		252,000	43,000	252,000	43,000
Balance 31 December		18,919,822	18,148,833	18,919,822	18,148,833
Current provision 31 December		8,827,450	7,955,978	8,827,450	7,955,978
Non-current provision 31 December		10,092,372	10,192,855	10,092,372	10,192,855

The basis for making provision has changed for the year ended 31 December 2001. The distribution is based on 5.4% of the average net assets of the Board over the last three balance dates, in accordance with the Diocesan Endowment Ordinance 1984 Amendment Ordinance 2002 plus an additional 75% of \$1,065,000. The amount provided in 2000 represented 75% of the distributable surplus of \$9,477,933 in accordance with the Diocesan Endowment Ordinance 1984.

The current provision represents \$7,108,450 plus an additional \$1,619,000 approved by Synod and \$100,000 appropriated by the Anglican Youth and Education Funding Ordinance 2000.

14. Investments in Controlled Entities

	Cost/book value of immediate chief entity investment		Interest of immediate chief entity		Contribution to consolidated net profit	
	2001 \$	2000 \$	2001 \$	2000 \$	2001 \$	2000 \$
Directly controlled by Glebe Administration Board						
Glebe Australia Limited	200,000	200,000	100	100	(75)	(1,522)
Directly controlled by Glebe Australia Limited						
Glebe Asset Management Limited	2	2	100	100	200,606	116,237
Glebe Investment Company Pty Limited	100,000	100,000	100	100	(205,007)	(140,422)

All controlled entities are incorporated within Australia

15. Finance Facilities

A Joint and Several Guarantee has been given to Westpac Banking Corporation by Glebe Administration Board and St. Andrew's House Corporation for overdraft accommodation up to \$1.2 million granted to Sydney Diocesan Secretariat, Anglican Church of Australia.

The Board has an overdraft limit of \$1,000,000 on its current account with Sydney Diocesan Secretariat. At balance date this facility was not being used.

Unsecured standby finance facilities of \$50 million (\$25 million from the Westpac Banking Corporation and \$25 million from the Australian & New Zealand Banking Group Limited) have been put in place to enable temporary shortfalls in liquidity to be adequately

met. It is expected that these facilities would only be used for very short periods on infrequent occasions. The facilities have not been used in 2000 or 2001.

16. Maturity Analysis

Note	Consolidated		Chief Entity	
	2001 \$	2000 \$	2001 \$	2000 \$
Receivables and investments				
Due not later than one year	176,690,126	165,903,017	176,843,804	166,017,384
Due later than one, not later than two years	1,673,460	10,966,819	1,673,460	10,966,819
Due later than two, not later than five years	42,811,769	35,989,321	42,811,769	35,989,321
Due later than five years	19,064,222	17,352,976	19,064,222	17,352,976
	<u>240,239,577</u>	<u>230,212,133</u>	<u>240,393,255</u>	<u>230,326,500</u>
Payables and provisions				
Due not later than one year	144,880,296	143,534,923	144,788,595	143,523,197
Due later than one, not later than two years	14,569,306	16,392,047	14,569,306	16,392,047
Due later than two, not later than five years	2,246,889	1,299,127	2,246,889	1,299,127
Due later than five years	158,241	151,011	158,241	151,011
	<u>161,854,732</u>	<u>161,377,108</u>	<u>161,763,031</u>	<u>161,365,382</u>

17. Commitments for Expenditure

The Board has entered into various agreements, in respect of commercial properties, which are analysed as follows -

	Note	Consolidated		Chief Entity	
		2001	2000	2001	2000
		\$	\$	\$	\$
Due not later than one year		4,037	24,588	4,037	24,588
Due later than one, not later than two years		2,544	3,787	2,544	3,787
Due later than two, not later than five years		-	2,544	-	2,544
		<u>6,581</u>	<u>30,919</u>	<u>6,581</u>	<u>30,919</u>

18. Related Party Transactions

Ultimate control vests with Synod through the sanctioning of governing Ordinances and material transactions between Diocesan Funds are carried out on a commercial basis. The nature of material transactions is disclosed in the financial statements. The following persons held office as a member of the Glebe Administration Board during the year.

Mr B H Ball	Mr S E Judd
Canon B A Ballantine-Jones	Mr R H Y Lambert
Mr R E Bucknell	Mr I C Miller
Mr R C Corbett	Mr W H Olson
Rt Rev R C Forsyth	Dr L A Scandrett
Mr N Ingham	Mr P Shirriff

(i) Transactions with entities in the wholly-owned group

Glebe Administration Board is the ultimate parent entity of the wholly-owned group comprising the Board and its controlled entities.

The Board provided accounting and administrative assistance to other entities in the wholly-owned group during the current financial year on commercial terms and conditions.

During the period, the Board initially met expenses on behalf of Glebe Investment Company Pty Limited (GIC) and subsequently transferred \$780,000 (2000:\$637,151) of those expenses to GIC during the year. At the end of 2001, \$583,000 (2000:\$330,000) has been accrued as expenses owing from GIC.

During the period, the Board initially met expenses on behalf of Glebe Asset Management Limited (GAM) and subsequently transferred \$1,477,704 (2000:\$598,627) of those expenses to GAM during the year. At the end of 2001, \$132,000 (2000:\$132,000) has been accrued as expenses owing from GAM.

During the period, Glebe Asset Management Limited paid management fees of \$80,090 (2000:\$100,000) to Glebe Investment Company Pty Limited. As at 31 December 2001, \$6,942 (2000:\$8,337) was outstanding.

During the period an interest-free, unsecured loan of \$300,000 (2000:\$300,000) was still outstanding from Glebe Australia Limited to Glebe Investment Company Pty Ltd.

An amount of \$331,127 (2000: \$627,182) being subsidies to controlled entities represents the amount of expenses which the Board has paid on behalf of its controlled entities and not yet passed on to those companies.

(ii) Transactions with St Andrew's House Corporation

At 31 December 2001, outstanding loans from St Andrew's House Corporation were \$3,764,222 (2000: \$17,352,976). This represents an at-call finance facility to assist in funding of improvements to Town Hall Square.

Interest revenue recorded by the Board in the year ended 31 December 2001 in respect of this loan was \$410,746 (2000: \$1,174,318).

(iii) Related party investments

The Board invests in the Sydney Anglican Church Investment Trust fixed interest and equities trusts, and the Glebe Stewardship Investment Trusts, which are managed by related entities of the Board. Details of the holdings are set out in Note 8.

19. Cash Flow Information

(a) Reconciliation of surplus from ordinary activities after income tax to net cash flows from operating activities

	Consolidated		Chief Entity	
	2001	2000	2001	2000
	\$	\$	\$	\$
Surplus from ordinary activities after income tax	15,025,966	13,543,562	15,214,467	13,640,149
Accrued income from St Andrew's House Corporation	184,049	70,873	-	-
(Profit) on sale of properties	(214,014)	-	(214,014)	-
Investments adjustment to market value	(3,378,005)	(4,287,091)	(3,378,005)	(4,287,091)
Increase in provision for doubtful debts	250,000	500,000	250,000	500,000
Amortisation of leasing costs	47,273	48,408	47,273	48,408
(Profit) on sale of investments	(921,037)	(396,898)	(921,037)	(396,898)
(Profit) on settlement of lease	-	(601)	-	(601)
(Profit) on sale of business unit	(456,632)	-	-	-
Interest capitalised to GAB deposits	2,871,557	2,911,299	2,871,557	2,911,299
Interest capitalised on loans and mortgages	(1,333,534)	(1,861,626)	(1,333,534)	(1,861,626)
Dividends reinvested	(2,334,585)	(7,475,512)	(2,334,585)	(7,475,512)
Depreciation	-	1,979	-	1,979

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Changes in assets and liabilities:

(Increase)/decrease in receivables	(1,779,575)	862,454	(1,828,630)	657,071
Increase in accounts payable and accruals	562,317	350,319	486,732	338,593
(Decrease) in deferred income tax liability	(24)	(149)	-	-
	<u>8,523,756</u>	<u>4,267,017</u>	<u>8,860,224</u>	<u>4,075,771</u>

(b) Reconciliation of cash

Current account with Sydney Diocesan Secretariat	30,185	521,894	30,185	521,894
Cash at bank	352,495	237,835	-	-
At call money market deposits	23,907	7,904	23,907	7,904
Cash on hand	252	602	-	500
	<u>406,839</u>	<u>768,235</u>	<u>54,092</u>	<u>530,298</u>

(c) Disposal of financial planning business

During the period, Glebe Asset Management Limited (a controlled entity) disposed of its financial planning operations for consideration of \$456,632 (net of legal fees). No assets or liabilities were transferred as part of this transaction, although the Sydney Diocesan Secretariat separately sold fixed assets of \$50,010 to the purchaser at written down value, and paid \$13,304 for the purchaser to take on employee liabilities of \$19,006.

20. Additional Financial Instrument Disclosure

(i) Interest rate risk

The consolidated entity's exposure to interest rate risk & the effective interest rates on financial instruments at balance date are -

31 December 2001	Weighted effective interest rate %	Floating interest rate \$	Fixed interest maturing in			Non-interest bearing \$	Total \$
			1 year or less \$	over 1 to 5 years \$	More than 5 years \$		
Assets							
Cash assets	2.45%	406,839	-	-	-	-	406,839
Loans, finance leases and mortgages	6.69%	-	15,105,436	44,485,229	19,064,222	-	78,654,887
Other receivables		-	-	-	-	2,863,844	2,863,844
Equities and property unit trust investments		-	-	-	-	150,607,998	150,607,998
Fixed interest investments	5.61%	500,416	-	435,992	-	-	936,408
Money market securities	4.31%	-	7,192,940	-	-	-	7,192,940
		<u>907,255</u>	<u>22,298,376</u>	<u>44,921,221</u>	<u>19,064,222</u>	<u>153,471,842</u>	<u>240,662,916</u>
Liabilities							
Payables		-	-	-	-	2,251,748	2,251,748
Interest bearing liabilities	4.66	-	133,801,098	6,723,823	158,241	-	140,683,162
Provision for income distribution		-	-	-	-	18,919,822	18,919,822
		<u>-</u>	<u>133,801,098</u>	<u>6,723,823</u>	<u>158,241</u>	<u>21,171,570</u>	<u>161,854,732</u>

NET FINANCIAL ASSETS	907,255	(111,502,722)	38,197,398	18,905,981	132,300,272	78,808,184
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31 December 2001

	Weighted effective interest rate %	Floating interest rate \$	Fixed interest maturing in 1 year or less \$	over 1 to 5 years \$	More than 5 years \$	Non-interest bearing \$	Total \$
Assets							
Cash assets	3.79	768,235	-	-	-	-	768,235
Loans, finance leases and mortgages	8.20	-	17,340,871	41,387,300	17,352,976	-	76,081,147
Other receivables		-	-	-	-	1,079,889	1,079,889
Equities and property unit trust investments		-	-	-	-	148,712,639	148,712,639
Fixed interest investments	6.60	936,006	-	776,323	-	-	1,712,329
Money market securities	6.28	-	3,159,682	-	-	-	3,159,682
		<u>1,704,241</u>	<u>20,500,553</u>	<u>42,163,623</u>	<u>17,352,976</u>	<u>149,792,528</u>	<u>231,513,921</u>
Liabilities							
Payables		-	-	-	-	1,459,064	1,459,064
Interest bearing liabilities	6.31	60,366,559	73,755,994	7,498,319	151,011	-	141,771,883
Provision for income distribution		-	-	-	-	18,148,833	18,148,833
		<u>60,366,559</u>	<u>73,755,994</u>	<u>7,498,319</u>	<u>151,011</u>	<u>19,607,897</u>	<u>161,379,780</u>
NET FINANCIAL ASSETS		(58,662,318)	(53,255,441)	34,665,304	17,201,965	130,184,631	70,134,141

(ii) Current risk exposure

The consolidated entity's exposure at 31 December 2001 to foreign exchange rate movements on its international investments was as follows -

	US dollar \$A	Other currencies \$A	Total \$A
31 December 2001			
Gross investment amounts denominated in foreign currency	5,596,600	150,406	5,747,006
31 December 2000			
Gross investment amounts denominated in foreign currency	6,363,395	290,223	6,653,618

(iii) Credit Risk

The carrying amount of financial assets included within the balance sheet represent the consolidated entity's maximum exposure to credit risk in relation to these assets, except as noted in Note 7 concerning undrawn facilities.

(iv) Net Fair Value of Financial Assets and Liabilities

The members consider the carrying amount of financial assets and liabilities approximate their net fair values.

21. Contingent Liabilities

The Board has agreed to provide ongoing financial support for a wholly-owned entity, Glebe Investment Company Pty Limited.

Refer also to note 15 for details of a guarantee given to Westpac Banking Corporation.

22. Segment Information

The Board is predominantly an investor operating in Australia.

Members' Declaration

The members declare that the financial statements and notes set out on pages 236 to 277 -

- (a) comply with Accounting Standards, the Corporations Regulations 2001 in Australia and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the company's and consolidated entity's financial position as at 31 December 2001 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the members' opinion -

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) at the date of this declaration there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

This declaration is made in accordance with a resolution of directors and is signed for and on behalf of the directors by -

B H BALL, Member
L A SCANDRETT, Member

19 March 2002